Simplification of Borrowing Procedure for Farmers

3894. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that credit flow from public sector banks to farmers is suffering due to irritant procedure and quite a large number of formalities required before the loan is sanctioned resulting in farmers preferring moneylenders to Banks;

(b) if so, the details thereof; and

(c) what action Government propose to take for the simplification of application forms for Bank loans to farmers and minimize the formalities to enable the farmers to take loan from Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) Does not arise in view of (a) above.

(c) To give an impetus to the flow of credit to agriculture, RBI had set up *a* High Level Committee (R. V. Gupta Committee) to suggest measures for improving credit delivery system as well as simplification of procedure for agricultural credit. The Committee submitted its report in April, 1998. RBI advised all commercial banks to introduce simplified loan application forms. Most banks have already introduced simplified agricultural loan application forms while the others are in the process of implementing the same. More power has been delegated to branch managers for speedier sanctions. Insistence on no-dues certificate has been left to the banks and no security/margin is now required for agricultural loans upto Rs. 10,000/-. It is expected that these steps would enable the banks to minimize formalities and help the farmers to take loans from banks easily.

Exemption of Sardar Sarovar Project from Import Duty

3895. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the River Bed Power House of Sardar Sarovar Project is fulfilling the required criteria for inclusion in the list of projects specially exempted from payment of import duty;